

PSC NEWS Missouri Public Service Commission

Contact: Kevin Kelly Phone: (573) 751-9300

Governor Office Building, Suite 900

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SCHEDULED WINTER NATURAL GAS FILING APPROVED FOR UNITED CITIES GAS COMPANY-BOWLING GREEN DISTRICT

Jefferson City (October 30, 2001)---Bowling Green District natural gas customers of United Cities Gas Company will see **lower natural gas rates** under a scheduled winter season filing approved by the Missouri Public Service Commission. This decrease, which primarily reflects a reduction in the wholesale cost of natural gas, takes effect November 1, 2001. The winter season filing covers the period of November through March.

A residential customer currently pays \$0.7964 per Ccf (100 cubic feet of gas). Under this filing, the rate will drop to \$0.4579 per Ccf, a decrease of approximately 33.8 cents per Ccf. The effect on a typical residential he ating customer for the winter season is a decrease of \$300 or 31 percent when compared to rates currently in effect.

Approximately 60% to 70% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply and demand. The Missouri Public Service Commission does have regulatory review authority to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

United Cities Gas Company serves approximately 1,420 natural gas customers in its Bowling Green District in Pike County.